

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 714 - SB 679

February 13, 2009

SUMMARY OF BILL: Increases from 10 to 12 days the amount of time that court clerks have to notify the Department of Safety that a holder of a commercial driver's license has been convicted of a traffic offense. Increases from 10 to 12 days the amount of time that the Department of Safety has to notify the appropriate driver's licensing authority and the commercial driver's license system that a holder of a commercial driver's license has been convicted of a traffic violation in Tennessee.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - This bill will put the state in non-compliance with the federal *Motor Carrier Safety Act*. Current federal law requires notification to occur within ten days. The first-year penalty for non-compliance is five percent of federal-aid highway funds. At current funding levels, it is estimated that the state would lose \$19,698,600 in federal-aid highway funds for FY09-10. The penalty for second and subsequent fiscal years is ten percent of federal-aid highway funds. At current funding levels, this is estimated to be \$39,397,200 for FY10-11 and each subsequent fiscal year thereafter.

Assumptions:

- Pursuant to 49 C.F.R. § 384.209 (c)(2), and effective September 30, 2008, the notification must be made within 10 days of the conviction.
- Pursuant to 49 C.F.R. § 384.401 (a)(1) and (b)(1), an amount equal to five percent of federal-aid highway funds would be withheld for the first year of non-compliance; ten percent for second and subsequent years of non-compliance.
- According to the Department of Transportation, the most recent federal authorization of federal-aid highway funds were \$393,972,103 (\$127,972,269 for the National Highway System; \$141,503,483 for the Surface Transportation Program; and \$124,496,351 for Interstate Maintenance).

- The reduction of federal-aid highway funds is estimated to be \$19,698,600 for FY09-10 ($\$393,972,103 \times 5\% = \$19,698,605$); the reduction is estimated to be \$39,397,200 for FY10-11 and subsequent fiscal years ($\$393,972,103 \times 10\% = \$39,397,210$).
- No changes to the federal *Motor Carrier Safety Act* prior to September 30, 2009.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc